



**TOWN OF NORTH ANDOVER  
FINANCE COMMITTEE**

**Meeting Minutes**

**Meeting Date: 7 January 2010**

**Meeting Location:** Town Hall, First Floor  
Conference Room

**Meeting Called to order:** 6:45 PM

**I. FinCom Members in Attendance**

Mark Rodgers-MR, Chairman	X	Ramsey Bahrawy -RB	X
Peter Besen-PB, Vice Chairman		Bonnie Wilkinson-BW	X
Ben Osgood-BO	X	Carlos Bielicki-CB	
Jean Sullivan-JS	X	Thom Dugan-TD	X
Alan Lebovidge-AL	X	Herb Cunha-HC, Minutes	X

**Non FinCom Members in Attendance**

OTHERS: Mark Rees, MRees-Town Mgr  
Stan Limpert, SL-Chair School Committee

**Note: All FINCOM votes are subject to change upon receipt of new information.**

**II. Previous Minutes Approved**

DATE: 10 Dec 2009      Approved, Unanimous, chg DW to BW, pg 3, ln 12, AI #7

**III. New Business**

**AGENDA ITEM: A. Revenue and Fixed Cost Committee Update (Jean, Lyne)**

Discussion:

- Handouts-Debt Detail, State Aid Breakdown and Rev & Fixed Cost Submittal.
- JS: Motor Vehicle Excise should not have to carry over 2009. Discussion occurred regarding costs. Building permits were up in 2009. 3 year average calculated versus 5 year average are very similar. Interest rate being made at 0.5. Took 10% decrease on state aid.
- AL: State Senate President said 2010 cuts will be worst.
- MRees: Stated that 10% reduction is a reasonable reduction. Projection is that funds for retired teachers may be less, also looking at retirement assessment.
- MR: Didn't expect projection percentage change in 2011, is 5.4%.
- MRees: He will use this information as a starting point for January budget.
- RB: Did we refinance any municipal bonds?
- MRees: Only in sewer fund, some savings were refinanced.

**AGENDA ITEM: A. Revenue and Fixed Cost Committee Update (Jean, Lyne), continued**

- Discussion:
- Document distributed-CIP Plans for General Fund.
  - MRees: He referred to page 3 of CIP General Fund Plan.
  - TD: Asked about State Owned Land, on State Aid Breakdown sheet, \$295k to \$160k, 2006/2007.
  - MRees: Level was pulled back.
  - TD: Asked about fees on Pg2, being based on charged fees.
  - MRees: Based on trend analysis.
  - MR: Asked how fees are set.
  - MRees: Some set by BOS and some by the State.
  - AL: Asked how does the State set rates.
  - MRees: These can be challenged as to how they set them.
  - TD: Indicated Court/Legislative fees justified with service provided versus licensed fees, etc.
  - MR: Referred to Rev & Fix Cost Committee Submittal, pg1, and indicated that Treasurer Demand Fee should be changed for 2011 to \$24,000.
  - TD: Asked if any opportunity for one-time revenues, review owed money to Town.
  - MRees: Asset sales, delinquent taxes (not a big issue), where last year \$1.8M minus \$900k, transfer.
  - AL: Raised matter about restaurant meal tax.
  - MRees: BOS doesn't split this out.
  - BO: Interest on owed funds, are up to \$4M.
  - MRees: Monies that Town holds are in escrow. Developer must complete work to then address bond. The Planning Board determines release of bonds.
  - MR: Mentioned to speak to Planning and Conservation Board.
  - MRees: This is a Reconciliation that auditors are doing.
  - TD: Asked about compensation for services as Town of Hull and Nantasket Beach are doing for compensation. Asked how do we handle this for Harold Parker services, etc.
  - MRees: We set funds from State. He will check to see if we are owed funds. Hull adds to park fees for Nantasket and funds went to Town.
  - BO: Asked how are ambulance charges determined.
  - MRees: Rate set by billing company based on medicare and what market will bare. Our EMT's also work on fire trucks.
  - Documents distributed-CIP Plans for Sewer Enterprise Fund and Water Enterprise Fund and Fiscal Year 2011 Budget Policy Statement
  - MRees: Projects greater than \$25k to be in CIP. Police cruisers are in the Operating Budget.
  - There are 6 factors used and scored for criteria points as listed in CIP Gen Fund pgs 10-12:
    - A. Overall Fiscal Impact (Financial savings and cost)
    - B. Legal Obligations and Compliance with Master Plan (also if Mandated by state)

## AGENDA ITEM: **B. CIP Introduction and Overview (Mark Rees)**

- Discussion:
- C. Impact on Service to the Public (services to the Town)
  - D. Urgency of Maintenance Needs
  - E. Prior Phases (whether a phased project)
  - F. Department Priority
- MRees: Referred to CIP General Fund, page 1. Listing of highest road improvements with rankings are shown. Accounts for Debt Service, want to keep 4-6%. Debt Service for 2011 comes into play for 2012.
- MR: FY 2015 requires override for the fire station.
- MRees: Plan of \$150k to hire planner with engineering to do master plan for buildings. Years 1 through 4 are legitimate projects. Reference pg 4 of CIP General Budget (11 projects funded at \$2,986,000, 10 year and 20 year, annual borrowings. FY2012, Net Debt Service is \$487,630.
- MR: Net Debt Ratio is 5.02% for FY 2011, 5.2% for FY2012 Non Exclusion Debt in General Fund Budget. Exclusion not in General Fund, only for certain items.

## AGENDA ITEM: **C. Discussion of Joint BOS Fin Com meetings (Mark Rodgers)**

- Discussion:
- MRees: At joint Meeting with BOS and FINCOM Departments will come to discuss their projects which he has recommended.
  - MR: Projects to be signed off by procurement.
  - Note: Procurement Manager position has to be filled.
  - MRees: Requisition is out for replacing the Procurement Manager. CIP Water & Sewer, debt not kept to 5%, trying to maintain % of budget, trying to control debt going forward. Only one project will be actually recommended, at Sutton Street.
  - TD: Asked if any sewer project being considered under conservation.
  - MRees: Stimulus Funds at 2%. Need to look into this with DPW. BOS doesn't want to expedite sewer unless paid by abutters, not to have the current citizens pay.
  - MR: Asked about Waverly Road project. Monies are now sitting in the account but next year they won't be available. Can we tighten time between funding and construction?
  - MRees: He will revisit this project.
  - MR: Discussed possible dates for BOS, School Committee and FINCOM meeting with Department Heads to discuss projects, as being January 14, 19 and 21. FINCOM members are to provide him questions as a standard list to present to the Departments.
  - AL: Raised question about wage negotiations.
  - MRees: Negotiations will include health insurance concessions as a bargaining item. Unions are considering arbitration. Regarding fire fighters, minimum manning and hours will be addressed.

#### AGENDA ITEM: D. New Business

Discussion:       -SL: State Law changed regarding sprinkler system and additional requirements at the Kittredge School. A waiver is being requested. Fire Chief says if funds are in the CIP for sprinkler, they may suffice. A plan will be put together to push out the funds for the roof. (\$400k for sprinkler, building \$400k)  
                      -MR: Asked how to handle this.  
                      -MRees: This will be discussed at meeting with BOS, School Committee and FINCOM.

#### III. Old Business/Non-Agenda Items

NON-AGENDA ITEM:

Discussion:

#### IV. Next Meetings

Thursday, 21 Jan 2010 Town Hall, 6:30 PM

#### V. Adjournment

Motion: RB	Unanimous
Seconded: AL	Time: 8:28 PM

## ACTION ITEMS

C=Complete

[illegible]